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GREENHOE

DEVELOPMENT OF THE LAGUNA MOUNTAIN RECREATION AREA

SOME ALTERNATIVES

PREPARED FOR:

PROFESSIONAL DEVELOPMENT PROGRAM
FOR OUTDOOR RECREATION MANAGEMENT

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ABSTRACT

The Laguna Mountain Recreation Resource Plan was completed in 1978 and it calls for the development of additional facilities within the Laguna Mountain Recreation Area. Because of lack of funding these facilities have not been contructed. This paper looks at some alternatives for development of this area and at their implcations. The paper also deals with the economic aspects of provide recreation opportunities within the area and proposes some changes in the current Forest Service fee structure.

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CHAPTER I

INTRODUCTION AND STATEMENT OF THE PROBLEM

I. Introduction

The purpose of this paper is to review the history and current management policies within the Laguna Mountain Recreation Area, specifically as it relates to the development of the recreation area. Major emphasis will be given to looking at several economic alternatives for development of the area as per the Laguna Mountain Recreation Resource Plan (USDA-FS, 1978).

Major concerns to be studied in this paper are:

A. Is the present Forest Service fee structure in developed sites equitable with private, state and local government recreation operations?

B. Is there sufficent use to warrant fees for day or dispersed use? How would this fit with private, state and local operations?

C. Is the Laguna Mountain Recreation Area currently profitable? If not, what changes in the present fee structure would make it profitable?

D. Would it be economically feasible for private industry to build and operate one of the proposed campgrounds within the recreation area at the standards outlined in the Laguna Mountain Recreation Resource Plan?

E. If changes in the fee structure were authorized and fee receipts were returned to the area, would there be sufficient cash flow to develop the recreation area without further appropriations from Congress?

F. What changes in the fee structure or other policies would help reduce high weekend demand or spread this demand over lower use periods?

II. History and Description of the Laguna Mountain Recreation Area

The Laguna Mountain Recreation Area is located in San Diego County, California approximately 40 miles east of the City of San Diego and 20 miles north of the Mexican border. It is within the Descanso Ranger District of the Cleveland National Forest.

The recreation area is 8600 acres in size with approximately 6000 of these acres in pine-oak forest with a large meadow system. Elevations range from 5200 to 6300 feet above sea level.

Because of this unusual recreation resource in an area typified with dry chaparral covered mountain slopes the Secretary of Agriculture created the Laguna Mountain Recreation Area in 1928. In 1976 an additional 2,080 acres were purchased with Land and Water Conservation Funds to bring the area up to its current 8600 acre total.

Over the years several recreation improvements have been made within the recreation area. These include but are not limited to: summer homes, resorts, a store, organization camps, family campgrounds, picnic grounds and group campgrounds. Table I outlines the current facilities available within the recreation area:

TABLE I

CURRENT RECREATION IMPROVEMENTS

IMPROVEMENT	UNITS	ACRES	PAOT*
Family Campgrounds (USDA FS)	214	100	1070
Family Campgrounds (PVT)	25	5	125
Group Campgrounds (USDA FS)	10	70	645
Picnic Areas (USDA FS)	25	4	125
Entrance Stations (USDA FS)	2	2	30
Riding Stables (PVT)	1	5	50
Recreation Residence Sites (Special Use Permit)	169	221	845
Organization Sites (Special Use Permit)	2	29	645
Store (Special Use Permit)	1	2	100
Restaurant (Special Use Permit)	2	2	120
Restaurant (PVT)	1	1	75
Rental Cabins (Special Use Permit)	18	4	54
Motel Units (Special Use Permit)	12	3	36
TOTAL	482	448	3920

* People At One Time (PAOT)

The Laguna Mountain Recreation Resource Plan which was completed in 1978 called for the addition of several types of recreation facilities to meet the current and future demand for outdoor recreation in the San Diego County area. These improvements are based upon the concept of a large remote and undeveloped area on the west side of Laguna Meadow. In this area remote or dispersed camping would be allowed.

Table II displays the proposed facilities or expansion of facilities and their capacities.

TABLE II

PROPOSED IMPROVEMENTS

IMPROVEMENT	UNITS	ACRES	PAOT
Campground Expansion (USDA FS)	67	32	335
Family Campgrounds - Level III & IV (USDA FS)	220	128	1100
Family Campgrounds - Level II (USDA FS)	170	168	850
Group Campgrounds (USDA FS)	3	18	200
Equestrian Family Campground (USDA FS)	25	25	125
Equestrian Group Campground (USDA FS)	3	52	260
Remote Campsites (USDA FS)	150	2315	300
Entrance Station (USDA FS)	1	1	15
Experience Center (USDA FS)	1	5	150
Vista Points (USDA FS)	4	12	120
Picnicgrounds (USDA FS)	25	13	125
Snowplay Areas (USDA FS)	4	12	600
Trailheads (USDA FS)	5	10	125
Rental Cabins (USDA FS)	22	4	40
Motel Units (Special Use Permit)	18	3	60
Environmental Education Complex	1	40	100
TOTAL	719	2838	4505

As can be seen by comparing Tables I & II future development of the Laguna Mountain Recreation Area will more than double its capacity by the year 2000.

III. Current Economic Situation

One of the first questions presented in the introduction to this chapter was "Is the Laguna Mountain Recreation Area currently profitable?". This can be answered by comparing receipts from the area with the costs incurred in maintaining and managing them.

Current fees for use of National Forest recreation facilities range from $5 per night per site for family campgrounds to $25 to $85 for group campgrounds. There is no charge for picnic areas or other day use activities within the recreation area.

Cost recovery for the use of developed sites is running about 70 to 75 percent. It should be noted, however, that some of these recreation site management dollars (071) are for program management, volunteer management and recreation input to land management planning. Actual cost recovery is probably closer to 85% if these other non-related costs are taken out.

Fees for recreation residences on Laguna Mountain are now $475/year. These fees were to have been readjusted in 1984 but because of Congressional action they have been frozen at the 1979 rate. Actual fair market value of these lots is probably 50 percent or more higher than the current rate. If they are readjusted to fair market value, then the income into the recreation area would increase about $40,000 per year.

Because the recreation residences provide a use with very low cost to the Forest Service, increasing the number of residences in some limited cases may make economic sense. This will be discussed further in Chapter IV.

TABLE III

LAGUNA MOUNTAIN RECREATION AREA

INCOME AND COSTS

INCOME	FY83	FY84 (EST)
Family Campgrounds	$69,745.00	$80,000.00
Group Campgrounds	14,819.00	18,000.00
Laguna Lodge	3,800.00 @	4,000.00
Bluejay Lodge	1,100.00 @	1,200.00
Shrine Camp	6,259.00	6,500.00
Sierra Club Lodge	440.00	440.00
Recreation Residences	80,275.00	80,275.00
Monument Peak (electronic use)	3,040.00	3,200.00
TOTAL INCOME	$179,478.00	$194,815.00
COSTS		
Developed Site Management (071)	($132,127.00)	($140,000.00)
Dispersed Recreation Mgt (072)	(3,500.00)	(4,000.00)
Recreation Special Use Mgt (071)	(9,890.00)	(10,000.00)
Trails Management (140)	(3,000.00)	(4,000.00)
TOTAL COSTS	($148,517.00)	($158,000.00)
NET PROFIT	$30,961.00	$36,815.00

@ Estimated from 1982 data as 1983 data were not yet available.

As can be seen in the above table the net flow of revenue from the Laguna Mountain Recreation Area exceeds the costs from appropriated funds. A futher discussion of income and costs will be made in the discussion section (chapter IV).

IV. Recreation Use and Demand

In 1980, Californians spent 2.1 billion participation days in recreation away from home (State of California, 1982). This represents approximately 12 percent of all the time available to them. More than two-thirds of this use took place within a one hour travel time from home.

Recreation activities which most people desire are outdoor, nature-type activities such as fishing, camping, hiking, backpacking, boating, and horseback riding (State of California, 1982). The Laguna Mountain Recreation Area supplies all of these uses except boating and fishing.

Because of the large population centers of Southern California and the unique environment of the Laguna Mountains the recreation area has seen use and demand exceed supply. It is quite common for all of the developed sites to be fully occupied during all summer weekends and holidays. In fact during the 1983 field season 50,000 recreation visitor days were recorded for the Burnt Rancheria Campground. During the weekends a 95 percent occupancy rate was observed with 37 percent occupancy during the week. This high weekend occupancy rate is typical of the Laguna Mountains and many Southern California recreation areas. What is not typical is the weekday rate.

In most areas of Southern California the use of recreation facilities is heavily weighted towards weekend use. As was stated in the California Outdoor Recreation Resource Plan (State of California,1974) the needs for recreation improvements and opportunities in Southern California are for the "close to home" experience. But when people get more time off than the normal weekend they tend to travel to a recreation area outside of Southern California.

This is where the Laguna Mountain Recreation area is different. It provides an opportunity that is not typical to Southern California. Because of this it has a higher than normal weekday occupancy with many people staying seven days or more. The construction of additional recreation improvements would probably see the reduction of the weekday occupancy rate with weekend use remaining in the 90 percent area.

Another problem which faces the recreation area is the change in the use patterns. When many of the Forest Service facilities were constructed they were designed for a "tent camping" experience. Many of the spurs in the two family campgrounds are much too small for the larger motorhomes and travel trailers used by a larger proportion of the recreating public.

These factors of heavy weekend occupancy and facilities which do not meet the needs of the public leads to a "suppressed demand". People tend to shy away from areas that they know will be crowded.

The old saying "nobody goes there anymore, its too crowded!" certainly fits the Laguna Mountain Recreation Area.

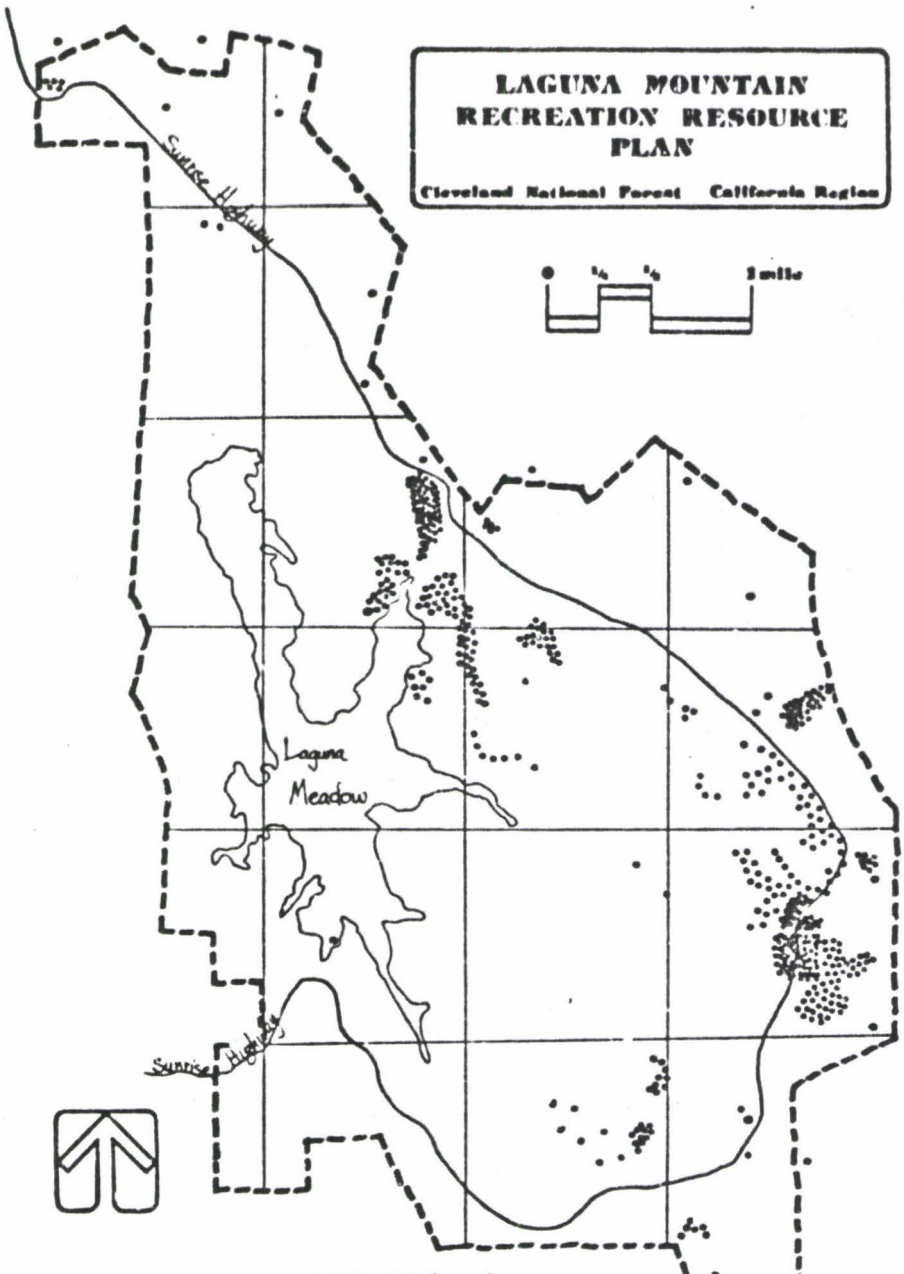
The following diagrams on the next two pages depict the current (Alternative A from the LMRRP) and proposed (Alternative G) recreation visitor distribution. It should be noted that much of the additional use proposed for the area is in the form of dispersed recreation in the meadow area.

Memorial Day weekend is the heaviest use weekend in the recreation area. It is common for people who will be using the campgrounds to begin arriving on Thursday afternoon. Problems with people coming up to the area, paying their fees for the weekend and leaving camping equipment to hold the site then return home only to come back Friday evening are increasing.

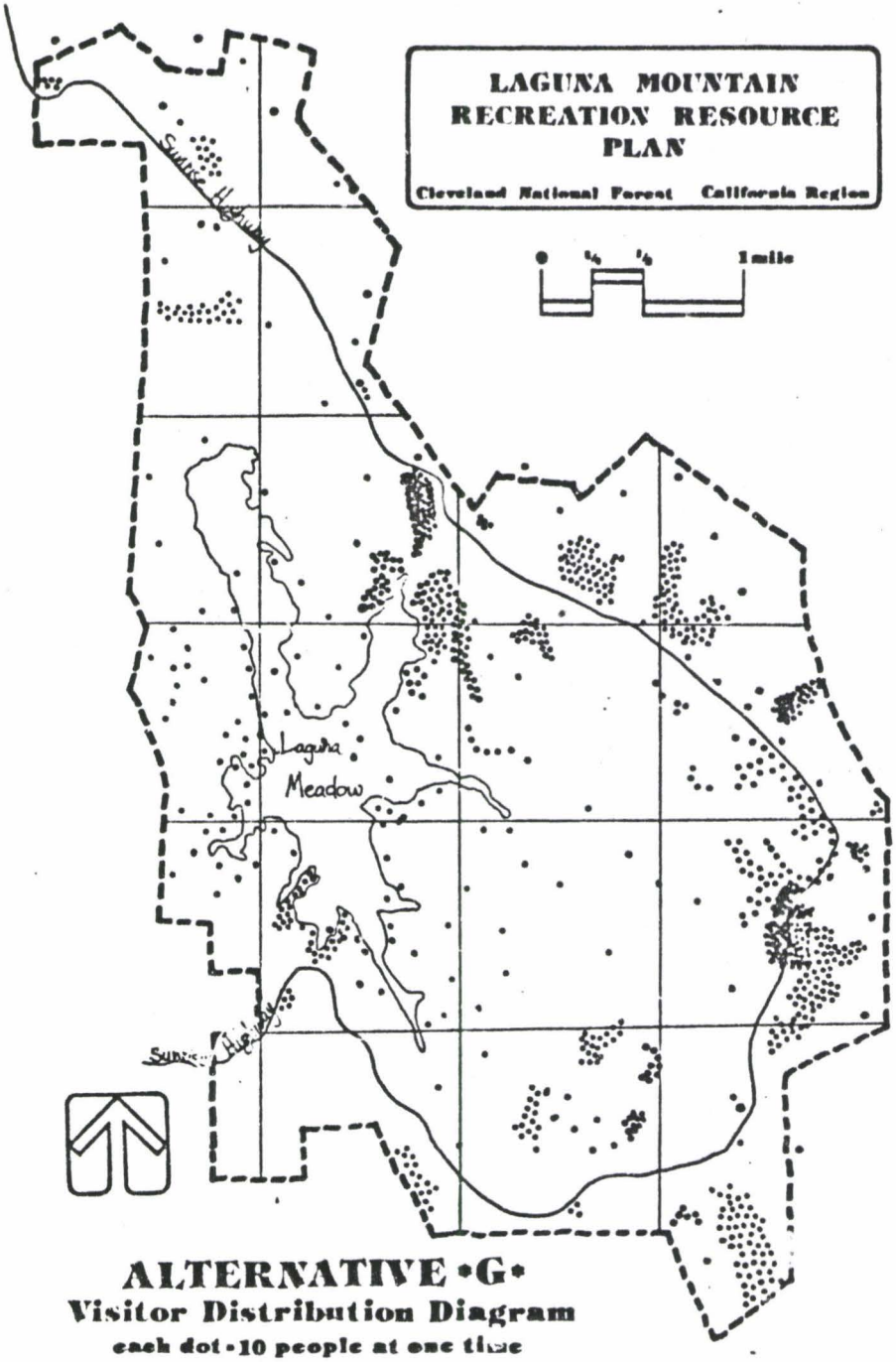
The biggest problem with the heavy holiday use is over use of individual sites. Current policy limits use to 8 people per site but enforcement of this regulation is difficult, especially on holidays when there is nowhere else for people to go.

On holiday weekends the picnic areas, normally closed to all but day use, are pressed into service to provide overflow camping opportunities. Areas around the recreation area where dispersed camping is allowed are heavily used. During a normal holiday there are usually two campers in remote areas for each site occupied in the developed areas.

Some alternatives for dealing with these over use and facility problems will be presented in the discussion section of this paper.



ALTERNATIVE •A•
Visitor Distribution Diagram
each dot = 10 people at one time



ALTERNATIVE •G•
Visitor Distribution Diagram
each dot•10 people at one time

V. Shortcomings and Weaknesses of this Study

Several weaknesses of this study include the lack of demand data specific to the local area. While we either look at statewide studies or projections to estimate demand no good local demand information is available.

Further information is also needed on what the public is willing to pay for developed recreation. The only data available are the current rates that public agencies and private enterprise charge. Will increased fees in the Forest Service facilities reduce use?

CHAPTER II

LITERATURE REVIEW

A computer literature search was requested through WESTFORNET. This service developed a bibliography of 42 papers and studies related to this project. The search was centered around the economic aspects of recreation management, specifically campground and recreation site management. Additional information was obtained from California State University, San Diego and Northridge libraries.

Most of the literature dealing with the economics of campground operations dealt with private campgrounds in the northeast, however, the data presented seem to be applicable to the west as well.

Literature will be used to determine the following:

A. Is a privately operated campground economically feasible in the Laguna Mountain Recreation Area if developed to Forest Service standards?

B. Is the present fee structure equitable with private operations?

C. What other road blocks or concerns limit us from using private enterprise from having a larger role in the development of the recreation area?

D. Is there sufficient demand to warrant increasing the developments in the area?

Several papers studied the economic aspects of the private campground industry. Bevins (1974) takes a detailed look at the private campground market in the Northeast and some of the reasons for failure of some operations. Several aspects of successful operations are reviewed in the summary section. Dice and Wang (1973) provide much of the same information but for the campground industry in Michigan. This paper deals more with the economic stature of the privately owned campground industry in Michigan.

Cormier and Nystrom (1981) conducted a survey of the private campground industry in New Hampshire. The purpose of their survey was to take a detailed look at the economic aspects of the private campground industry and to look at future trends. Information will be used to determine if private facilities would be cost effective within the Laguna Mountain Recreation Area.

Bond (1974) looks at the marketing practices in private campgrounds. This survey also provides information on what types of facilities are typically offered at private campgrounds and what the public demands.

Reiling, Anderson and Gibbs (1983) provide a good working tool in measuring costs for publicly supplied outdoor recreation opportunities.

Further social information relating to private recreation management is provided by Baumgarter (1979) relating to the social and technological changes which have made the private campground industry flourish in recent years. This study is applicable from the standpoint that the National Forest facilities in the Laguna Mountain Recreation Area have not kept pace with the technological and social changes and use patterns of visitors.

Cohee (1972) compares private and public facilities in Wisconsin. This report evaluates campers preferences for various campground features. This will be useful when discussing the needs of proposed facilities within the Laguna Mountain Recreation Area. He found that most of the wants of the campers in that area are ones that are not typically supplied by the Forest Service.

Davey (1969) discusses recreational development opportunities on private lands. While this article is quite old it still provides good information on the role of private industry in supplying recreation opportunities, particularly those opportunities which cannot be provided by public agencies.

When looking at the road blocks which prevent further use of private enterprise on public lands several papers were found that contain good information from a national perspective. Greenleaf and LaPage (1982) talk about the emerging opportunities for cooperation between public agencies and private enterprise. The paper examines the public-private partership and outlines some opportunities for further cooperation.

Gibbs (1980) has published several papers on the cost of Forest Service campgrounds in the Northwest. His conclusion agrees with Greenleaf and LaPage that the Forest Service is subsidizing recreation opportunities and thereby unfairly competing with the private campground industry.

General demand data for this project were obtained from the Recreation Needs in California, an element of the California Recreation Plan (1982). Information was also available in the the Laguna Mountain Recreation Resource Plan (1978). The latter will be the backbone of this entire project. As an assumption, all alternatives and proposals must meet the general direction of this plan, although small modifications may be proposed.

Finally a survey was conducted to gather information on camping fees at private and public recreation facilities in San Diego County. Private and public campgrounds were contacted and asked various questions relating to camping and day use fees, size of facilities, services offered, natural or man-made features in the area, etc. This information will be displayed in the discussion section.

CHAPTER III

DEVELOPMENT OF ALTERNATIVES

Since the completion of the 1978 Laguna Mountain Recreation Resource Plan (LMRRP) it has become obvious that appropriated funding may not be available to implement the plan. Nevertheless, demand continues to grow and existing sites are becoming more crowded and overused.

The following section will array a range of alternatives, all of which, if successful, will lead to the development of the area as per the LMRRP. A brief description of each alternative will be made. The alternatives will be discussed in detail in Chapter IV.

Alternative E will require new legislation or changes in legislation to be fully implemented.

ALTERNATIVE A: Continue to request appropriated funds to develop the recreation area.

This alternative would implement the 1978 Laguna Mountain Recreation Resource Plan within the existing budget system. Development, operation and maintenance would remain within the Forest Service. Private enterprise would be involved in support services only. Volunteers would be used for operation and maintenance as they are available.

ALTERNATIVE B: Develop those sites within the Laguna Mountain Recreation Resource Plan which could be operated by private industry. Use appropriated funds to develop sites which do not generate income.

Several of the proposed campgrounds and day use sites would be developed under special use permit by private industry. Design and operation standards would be set by the Forest Service. Basic site density would be retained but support services would be higher than Forest Service facilities.

Existing campgrounds and day use areas would continue to be operated by the Forest Service.

ALTERNATIVE C: Same as Alternative B but existing Forest Service campgrounds would be operated by private industry under special use permit.

ALTERNATIVE D: Solicit other public agencies to operate and develop the recreation area.

Look to other recreation agencies to provide the developed recreation facilities on Laguna Mountain. The Forest Service would then concentrate on dispersed recreation. Agencies which may be willing to take on some of these operations include the San Diego County Parks Department or the California Department of Parks and Recreation.

ALTERNATIVE E: Expand the use of volunteers or a cooperative association to develop and operate the recreation area.

Use volunteers to donate labor and materials to develop facilities within the recreation area. A cooperative association could solicit grants from private and public funding sources. Operation of sites under permit to an association would generate revenue to continue development.

ALTERNATIVE F: Operate the recreation area as if it were a private business. Charge for day and dispersed use. Generate maximum revenue and return those funds to the development of the area.

Request legislation to return revenue generated within the recreation area to the area for development. Expand current authority to allow for fees for day use and dispersed recreation.

This alternative is the only one which the Forest Service does not currently have authority to implement.

CHAPTER IV

DISCUSSION

This chapter will be divided into two parts. The first part will review and discuss the concerns listed in Chapter I on page 3. The second part will deal with each of the alternatives outlined in the previous chapter.

I. Major concerns

A. Is the present Forest Service fee structure in developed recreation site equitable with private, state and local government operations?

To answer this question we need to look at not only what the fees are per site but how is the fee levied and what facilities are offered. National Forest recreation sites typically do not have the amenities that private sites do, however, there is some value of the natural setting in which the National Forest campgrounds are located. From a review of Table IV, on the following page, it appears that the setting is not so important in fee determination as the amenities offered.

Christiansen (1971) in his survey of Wisconsin's private recreation facilities found that most private campground operators either charged just enought to cover costs and make a reasonable profit or their price was determined by public facilities in the area.

In the survey of San Diego County facilities this was also found to be the case. The closer the campground was to established public facilities the closer the fees for similar sites. This was especially true near the Cuyamaca Rancho State Park where private facilities provide overflow type camping when the park facilities are at capacity.

One reason that public facilities are not often operated at a profit comes from the fact that in most private facilities the camping fees generate only 60 to 70% of the total revenue (Cormier and Nystrom, 1981). The rest comes from sales of groceries, firewood and equipment rentals.

The following table displays the public and private facilities available in San Diego County rural areas and the fees for their developed sites. Sites are grouped into experience levels. Experience level III facilities are those which are typically operated by the Forest Service. The natural setting is emphasized and amenities are minimal. Level IV and V sites are more highly developed and may include hot showers, flush toilets, electric and sewage hookups and other services. The campers comfort is emphasized over the natural setting.

TABLE IV

SAN DIEGO COUNTY CAMPGROUNDS

PRIVATE

NAME	UNITS	LEVEL III $/SITE	LEVEL IV&V $/SITE
LAKE MORENA TRAILER PARK	42	N/A	$10.00
OUTDOOR WORLD - CAMPO	221	7.00	9.50
OAK CREST RV PARK - GUATAY	86	6.00	8.00
OAKVALE PARK - LAKE WOLFORD	100	8.00	9.00
SKYLINE RANCH - JAMUL	24	N/A	8.00
SANTEE LAKES CAMPGROUND	151	6.50	10.00
RANCHO CORRIDO - ESCONDIDO	100	N/A	12.50
CRESTWOOD LAKES REC RANCH	45	5.00	7.50
MATARAWA - VIEJAS RESERVATION	84	6.00	8.50
LAKE CUYAMACA - JULIAN	80	5.00	N/A
BARRETT LAKE TRAILER PARK	27	N/A	9.50
DE ANZA SPRINGS - JACUMBA	600	6.00	9.50
OAK KNOLL - PALOMAR MTN.	55	N/A	10.50
PINEZANITA CAMPGROUND - JULIAN	200	8.00	9.00
AVERAGE		$6.39	$9.35

Looking at the average fees for level III sites it appears, at first glance that, the fees for developed sites on the Cleveland National Forest are appropriate. The $5 per site per night fee is low when compared to the county average of $6.39 but Forest Service sites do not offer hot showers or some of the other amenities that most of the private sites have. Other public agencies, Cuyamaca State Park and the San Diego County Parks system charge between $5 and $6 per site as well.

There is one big difference in the rate charged, however. While Forest Service fees are based on a per site basis most private and other public agencies base fees on a per site basis plus an additional fee for extra vehicles, extra people, pets and charges for firewood. The average group size of National Forest campgrounds in the Laguna Mountain Recreation Area is between 5 and 6. Many sites used for tent camping have two vehicles on most weekends with even greater crowding on holiday weekends.

The following table depicts what an average group of 6 people with 2 cars and one dog would pay at a Forest Service, State Park and private campground:

TABLE V

AVERAGE CAMPING FEE PAYMENTS

	NAT'L FOREST	STATE PARK	PRIVATE
Camping Site (level III)	$5.00	$6.00	$6.39
Extra Car	No Charge	3.00	$2.00
Extra People (over 3)	No Charge	No Charge	3.00
Dog	No Charge	1.00	1.00
Firewood	No Charge	2.00	2.50
Total for one night with 6 persons, 1 dog and two cars	$5.00	$12.00	$14.89

This example is typical of the users of camping facilities on the National Forest and other areas of Southern California because of the limited number of camping opportunities and the social nature of the camping experience. As can be seen, the Cleveland National Forest campgrounds are quite a bargain. The implications this has on the cost effectiveness of the Laguna Mountain Recreation Area will be discussed later, but it is obvious that the overall fees charged are much lower than they should or could be.

As long as we continue to recover less than the full costs of providing recreation, we will in fact be undercutting the private sector (Greenleaf/LaPage, 1983). As we charge a lower rate the private sector is placed in a squeeze. This is another important reason to raise fees to what would be equitable with the private sector.

Current authority to charge for campgrounds (Land & Water Conservation Act) does not provide for the opportunity to charge as State and private operators do. By charging on a per vehicle basis with additional charges for pets, revenue to the Laguna Mountain Recreation Area could be increased from 30 to 40 percent.

It should be noted that the charges for pets by the State Park System and the private campground industry was instituted for two reasons. First to provide funds to clean up after animals and second to encourage campers to leave their pets at home.

B. Is there sufficent use of the Laguna Mountain Recreation Area to warrant fees for day or dispersed use? How does charging for day use fit with state, local and private operations?

Currently there are no charges for day use in the Laguna Mountain Recreation Area. Two small picnic grounds and several nature trails are the only facilities designed for day use. The picnic grounds are often pressed into service as overflow campgrounds on heavy use holiday weekends.

One of these picnic grounds, Desert View, is the most highly developed recreation facility within the recreation area. It is the only facility with flush toilets and has the highest cost of operation. Its popularity with the public is noted because of the outstanding view of the Colorado and Anza-Borrego Deserts and as it also serves as a trailhead for the Pacific Crest National Scenic Trail.

If these facilities were state, county or private operations what would their fees be for day use? State Park picnic grounds charge $2.00 per car with $.50 per dog. County Parks charge anywhere from $.50 to $2.00 for day use at their parks. Few private operations have fees for day use as most of their traffic is overnight use.

If $2.00 per vehicle were charged at the National Forest picnic areas an additional $4,000 to $5,000 could be collected in revenue within the recreation area each year.

At the present time the picnic areas are closed from October 1st to May 15th each year, mainly due to the amount of care they need and lack of revenue they generate. Charging for day-use would allow for longer seasons for these facilities and provide a greater service to the public.

For each campsite occupied on a heavy use weekend within the Laguna Mountain Recreation Area there are one to two campers in dispersed

areas on Laguna Mountain. While State Parks in San Diego County do not allow motorized dispersed camping they do allow hike-in camping at a rate of $.50 per person. Several county parks allow dispersed camping at their facilities and charge $5.00 per night. Most of this use takes place at John Lyons/Lake Morena County Park.

Each dispersed camper on National Forest land is required to have a remote camping permit (visitor permit). The purpose of this permit is to convey National Forest regulations and control use in certain areas. Authority now exists to charge a "processing fee" for these permits, however, current policy is not to do so. If the processing fee for camping permits were $2.00 per permit an additional $14,000 to $16,000 in revenues could be generated.

The largest single day use opportunity within the recreation area is snowplay. On a snow weekend 1200 to 2500 vehicles make their way up Laguna Mountain. This use provides the single most expensive management problem within the recreation area. Forest Service personnel must monitor and control use, provide law enforcement for illegal use, such as off-road vehicles and clean up the large amounts of litter left behind by these day users. If a nominal fee were charged for day use, say $1.00 per car, an additional $8,000 to $10,000 could be collected to help offset these costs. There would be no additional costs to collect these fees as forest personnel now operate a check station during snow weekends.

C. Is the Laguna Mountain Recreation Area currently profitable? What changes in the fee structure would make it more profitable?

Referring back to Chapter I, on table III, page 7 we see that the area is now returning more revenue than appropriated to operate and maintain the area. Costs shown, however, are only district costs and do not include costs for supervisor's office personnel.

So we can say that the area is currently profitable. Then what changes would make it more profitable? Many of the items mentioned in the previous chapter could be implementated. Some will require action from Congress. If we are able to charge for day use and dispersed overnight use income would increase. Table VI, on the following page, includes estimates of these additional receipts. It should be noted that these additional receipts could be realized with only minor additions in cost to the Forest Service.

A second question, which will be harder to answer, but relates to the success of charging for day use, would be if the public would be willing to pay these fees. This question can only be answered in a general statement as the scope of this project did not allow for a detailed survey of the public's opinion on this issue.

At the present time all campers on the Cleveland National Forest are required to have a visitors' permit to camp overnight. As stated previously the purpose for this permit is to give the Forest Service an opportunity to contact each visitor, explain regulations, and

control use in certain areas. Many people who get permits expect to pay for them and indicate that they would be willing to do so if they knew the money would go back to the forest to help improve conditions in their favorite camping areas.

Table VI also shows a significant increase in recreation residence receipts. This reflects the true five percent of appraised value of the recreation residence lot. Current recreation residence fees are below the fair market value of the lot.

In some places within existing recreation tracts in the recreation area space exists for additional summer homes. Since these lands are not generally available for dispersed recreation, some opportunities exist to increase revenues by allowing additional recreation residences in certain areas where they would not impact other recreation users. By phasing these additional residences in over a period of time and issuing a prospectus and requesting bids, market data could also be obtained to determine the value of the other residence lots.

TABLE III

LAGUNA MOUNTAIN RECREATION AREA

INCOME AND COSTS

WITH PROPOSED CHANGES IN FEE STRUCTURE

INCOME	FY83	FY84 (EST)	W/CHANGES
Family Campgrounds	$69,745.00	$80,000.00	$110,000.00
Group Campgrounds	14,819.00	18,000.00	18,000.00
Laguna Lodge	3,800.00 @	4,000.00	4,000.00
Bluejay Lodge	1,100.00 @	1,200.00	1,200.00
Shrine Camp	6,259.00	6,500.00	6,500.00
Sierra Club Lodge	440.00	440.00	440.00
Recreation Residences	80,275.00	80,275.00	128,800.00
Monument Peak (electronic use)	3,040.00	3,200.00	3,200.00
Day Use Facilities	n/a	n/a	4,500.00
Dispersed Camping	n/a	n/a	12,000.00
Snowplay	n/a	n/a	9,000.00
TOTAL INCOME	$179,478.00	$194,815.00	$297,640.00
COSTS			
Developed Site Management (071)	($132,127.00)	($140,000.00)	($140,000.00)
Dispersed Recreation Mgt (072)	(3,500.00)	(4,000.00)	(5,500.00)
Recreation Special Use Mgt (071)	(9,890.00)	(10,000.00)	(10,000.00)
Trails Management (140)	(3,000.00)	(4,000.00)	(4,000.00)
TOTAL COSTS	($148,517.00)	($158,000.00)	($159,500.00)
NET PROFIT	$30,961.00	$36,815.00	$138,140.00

@ Estimated from 1982 data as 1983 data were not yet available.

D. Would it be economically feasible for private industry to build and operate one of the proposed campgrounds, to Forest Service standards, within the Laguna Mountain Recreation Area?

One way to increase the opportunities for developed recreation sites within the Laguna Mountain Recreation Area would be to allow private industry to build and operate some of the proposed facilities within the Laguna Mountain Recreation Resource Plan. To determine if this would be feasible within Forest Service design criteria and standards we will look at the proposed Flathead Flats development. This facility would consist of two medium density campgrounds of 100 and 120 units.

Based on the needs addressed earlier and the standards addressed in the LMRRP the following design criteria would need to be followed:

1. Maximum of 5 units per acre.
2. Target campgrounds to meet needs of trailer/motorhome users.
3. Allow 50 percent of the sites to have hookup facilities.
4. Permit a small store, laundry, dump station, etc.
5. Require showers
6. Require that showers, laundry and dump station be available, for a fee, to other recreation area users within the recreation area.
7. Require 14 day stay limit in 30 day period (same as the rest of the recreation area).

The following table displays the estimated costs and income from operating this facility. It appears from this information that an average 35 percent occupancy will be necessary to return a small profit.

If the facility would have a 90% occupancy rate on weekends then an 18% occupancy would be necessary during the week to meet the 35% average occupancy.

TABLE VII

ECONOMIC ANALYSIS OF PRIVATE CAMPGROUND

OPERATION AT FLATHEAD FLATS

INCOME:	
220 sites @ 40% occupancy April 1 to Nov. 15 Cost per site - $10.00	$201,520.00
Net income from on-site sales	85,000.00
Total Income	$286,520.00
Annual Cost Estimates	
Development Costs financed @ 12% for 30 years ($1.1 million)	$136,558.00
Operation and Maintenance	85,000.00
Advertising	10,000.00
Management Services	12,000.00
Taxes	6,000.00
Special Use Permit Fees Approx. 2% of Gross up to GFA*	7,420.00
Total Costs	$256,978.00
Net Profit	$29,542.00

* Gross fixed assets

Private operation of this facility would be profitable and return approximately 15 percent on the investment at a 40 percent occupancy rate. Higher income could be generated by a longer camping season, which would largely depend on weather conditions. A higher occupancy rate might also be possible.

E. If changes in the fee structure were made and the receipts were returned to the area would there be sufficent cash flow to develop the recreation area without further appropriations from Congress?

If fee changes were made the net cash flow back to the area would be approximately $138,000 per year. Total development costs for the area is estimated at $8 million, therefore assuming the inflation will keep even with fee adjustments and development costs it would take approximately 60 years to develop the area as planned in the Laguna Mountain Recreation Resource Plan. However, if income producing developments are targeted to be constructed first, additional income would raise receipts and reduce the amount of time necessary to develop the area.

By constructing the campground expansions and new campgrounds first and leaving the non-income producing sites until later, the amount of time required to develop the recreation area could be reduced to 35 to 40 years.

Another benefit of getting these facilities developed as soon as possible would be the final return to the United States. Today the recreation area returns approximately $37,000 per year. With changes in the fee structure this could be increased to $138,000 but if we wait until the area is fully developed the return will be approximately $350,000 per year. Over the 40 years it takes to develop the area $8 million will have been diverted from the treasury to the recreation area. This will require 24 years to pay back after all of the facilities are developed.

Another benefit of returning fees within the recreation area to the area is the profit motive. Field employees are given the job of collecting receipts and maintaining campground facilities. When they know that the money is only returned to the treasury and the amount of collections they take in has little to do with their budget, they tend to want to do the maintenance job first and leave compliance as a nice thing to do if there is time. This attitude leads to several other problems including disregard for National Forest campground fees to vandalism and behavior problems.

The profit motive would help in two ways; first each employee would know that his or her job was depending on people paying their campground fees and second, that those visitors are happy with the area and want to return. In other words more profit, more service and a greater feeling of security for employees.

In the next section discussion will be made of the proposed alternatives including whether to let private industry or the Forest Service develop future facilities. When this decision, if finally made, one of the key factors should be the profit motive. If we cannot provide this motive within the Forest Service then we should allow private industry operate these facilities.

F. What changes in fee structure or other policies would help decrease high weekend demand or spread this demand out over lower use periods?

The easiest way to decrease demand would be to increase the price of individual campground. We are dealing with a very limited resource and price would have to be increased significantly to reduce use. Campground fees were increased 20 percent in 1983 and the resultant fee collections for the family campgrounds were increased 21 percent. Even with the seemingly large increase in fees, use increased as well.

So we are left with the question of where demand will begin to drop off if we continue to increase fees? This goes back to the comparable fees charged by other campground operators. As long as our fee is so much less than the private and other agency campgrounds an increase of 50 percent or more will probably be necessary to begin to see a change in use.

An even larger problem, however, is the lack of use during the week. While the Laguna Mountain Recreation Area is more heavily used during the week than most Southern California recreation sites, significant losses in potential revenue is occurring due to low weekday use. How can this be changed with modifications in the fee structure?

One method, which has been tried in some areas, would be to reduce fees during the week. Since our current fees do not appear to be limiting use, lowering fees on weekdays may not increase use during this period. When increases are planned in the use fees for the campground in general, one option may be to try and hold the increases only to weekends. For example, we expect that it may be necessary to raise fees to $6 per night in 1985 but we may elect to raise these only on Friday, Saturday and holiday nights.

Another technique used by the California Department of Parks and Recreation is to advertise during low use periods. During the year the department places ads in the local media about how uncrowded some facilities are, especially the beaches in winter and the desert in summer.

II. Discussion of Alternatives

The following discussion will look at each of the alternatives identified in Chapter III. The purpose will be to identify the positive and negative aspects of each and provide information for making future decisions on the development of the recreation area. No one alternative will probably provide the total answer to the demand for recreation opportunities but a combination of several alternatives may.

Alternative A: Continue to request appropriated funds to develop the recreation area as per the Laguna Mountain Recreation Resource Plan.

While this alternative would provide for the development of the recreation area, the chances of the area being constructed within the next 10 to 20 years appears dim. It would provide for continued continunity in the management of the recreation area by keeping the facilities within the management of the Forest Service. Some increase in efficency would be realized as more sites are located closer to work centers.

Cost recovery would be reduced with the construction of non-income producing facilities which include the experience center, trailheads and other day use sites. Construction of income and non-income producing facilities should be phased so as not to dilute the cost effectiveness of the operation.

Alternative B: Develop those sites within the Laguna Mountain Recreation Resource Plan which could be constructed and operated by private industry. Use any appropriated funds to develop sites which will not produce income.

As was discussed in the previous pages of this paper, several of the proposed sites within the Laguna Mountain Recreation Area would be profitable for private industry to construct and operate, even within Forest Service design and operation standards.

This alternative would leave the Forest Service with the job of handling the existing facilities and improving on the interpretive aspects of the recreation area while private industry would provide the facilities for the more highly developed. recreational vehicle camper.

Some concern would be raised concerning the use of private industry providing something that is typically the job of the Forest Service or other public agencies. However, the private

sector would be providing an opportunity which is not within the realm of the Forest Service; i.e. highly developed level IV and V facilities.

How would this development be received by the public? Probably with mixed reactions. While some would welcome the increased opportunities, others would feel that allowing the private sector to develop areas within the recreation area would be degrading it.

Alternative C: Same as alternative B but existing Forest Service campgrounds would be operated by private industry under permit.

This alternative would have similar consequences as alternative B except it would leave the Forest Service more able to move ahead with the plans for the non-income producing facilities. Money saved from the operation and maintenance of the existing campground facilities could, in theory, be used to develop these facilities.

Considerable public reaction to this course of action could be expected, especially if it occurred all at one time. The best way to handle this alternative would be to phase it in, with a trial period, over several years. The Forest Service would then be largely responsible for the administration of the special use permits, the interpretive program and managing dispersed recreation within the recreation area.

Probably the greatest danger to this alternative and alternative B would be the loss of identity of the National Forest and the recreation area. Private operators would tend to want to provide for the demand for longer term users and without careful permit administration some of the campgrounds could end up resembling trailer parks with many semi-permanent residents.

Alternative D: Solicit other public agencies to develop and operate the recreation area.

In some areas of Southern California the land base available for outdoor recreation is shrinking to a point where local government is looking to National Forest System Land as locations for local and regional parks, some of which are to have facilities similar to those proposed for the Laguna Mountain Recreation Area. While this is currently not a problem in San Diego County it could reach that point in the next 20 to 30 years.

Some areas adjacent to small communities within the National

Forest have indicated some interest in acquiring lands, under permit, for community parks. This does seem like a reasonable request which would have some potential for future action.

But would the County of San Diego or the State of California have the resources to go into the Laguna Recreation Area and take over the management and development of the area? It does not seem likely that the County or the State would be interested in the short run to build and operate facilities within the area as they both have a land base to operate their own facilities. In fact, the County of San Diego is expanding their land base for parks and recreation with the addition of lands transferred from the Bureau of Land Management in the Escondido Project.

Alternative E: Expand the use of volunteers or a cooperative association to develop and operate the recreation area.

This alternative would be quite similar to alternatives B and C except for the fact that the group operating the facilities would be in a non-profit status. Facilities constructed would become the property of the United States and their operation would be allowed by a cooperative group under special use permit. Profits from the operation would be spent on constructing other new facilities or upgrading older facilities.

At the present time the district does not have a cooperating association but one is planned for the future. A project of this magnitude would be out of the capabilities of an association until it has established itself, a process that may take several years.

One advantage that a cooperative association would have would be the ability to apply for various grants available from government agencies and private funding sources. They might also be able to channel funds and volunteer work efforts from other groups, such as equestrian clubs, for the establishment of specialized campgrounds, trailheads and day-use areas.

There are examples for cooperative associations doing large projects in the local area. For example, the Anza-Borrego Desert State Park cooperative association raised over one million dollars to build one of the finest visitor and interpretive centers in the State of California.

This alternative does seem to have merit in future years but it is to early too determine if such an ambitious program could be accomplished by volunteer group.

Alternative F: Operate the recreation area as if it were a private business. Charge for day and dispersed use. Generate the maximum revenue and return this revenue to the recreation area for improvements and new facilities.

This alternative will require new legislation as the Forest Service does not have the authority to accomplish it at the present time.

This alternative does have several benefits including keeping that area in the direct management of the Forest Service. It would probably have the least public reaction and would have the least noticeable change in day to day management.

This alternative would return the profit motive to the Forest Service and make cost effective operations within the recreation area. It would provide funding for the construction of the planned development within the recreation area and eventually increase returns to the United States through increased revenue collections.

CHAPTER V

SUMMARY AND CONCLUSIONS

From this study several important conclusions can be made. These will be listed below. While it was not the intent of this project to provide concrete answers to all of the questions which relate to the economic aspects of the recreation area, most can be answered in general terms. Further study of specific questions will be needed.

* Forest Service fees for developed recreation sites are too low and in certain cases are undercutting the private sector. Changes should be made to allow for an extra vehicle charge in addition to the site charge.

* Fees should be charged for day-use facilities. They are among the most highly developed and most expensive to operate, yet do not return any income.

* A permit processing fee should also be implemented for overnight dispersed camping permits.

* Future fee increases in developed facilities should be made on weekend days only, leaving weekdays at the present rate to help encourage weekday use. Reduced fees for group campgrounds during the week would also be beneficial in increasing weekday use.

* Fees for recreation residences should be fair and at a level comparable to the value of the recreation residence lot. Additional residence sites within current tracts could be permitted without impact on the recreation area. These new sites would provide information necessary to establish fees for other recreation residences within the recreation area.

* It would be economically feasible for private industry to build and operate developed sites within the recreation area to Forest Service standards. It would also be economical for them to operate the existing sites.

* If fees collected within the recreation area were returned to the area and fees for use of the area were changed, there would be sufficient cash flow to build the facilities proposed within the Laguna Mountain Recreation Resource Plan in approximately 35 years.

* An effort should be made to increase the public awareness of the facilities available within the recreation area, especially the uncrowded conditions during the week.

When looking at which of the alternatives would best meet the demand for recreation opportunities, no one alternative would provide the best solution. Alternative F would provide the best continunity in management, however, without new legislation it would be impossible.

A combination of alternatives B and E appears to be the best solution. Allow private industry to build those highly developed level IV facilities while the Forest Service retains management and operation of the existing campgrounds and day-use areas. Use volunteers and the cooperative associations to develop those facilities which will not generate income, especially the proposed experience center at the Laguna Ranch.

Only with this multi-level cooperation between private industry, the Forest Service and volunteers will improvements and expanded opportunities be made available to recreation users in the near future.

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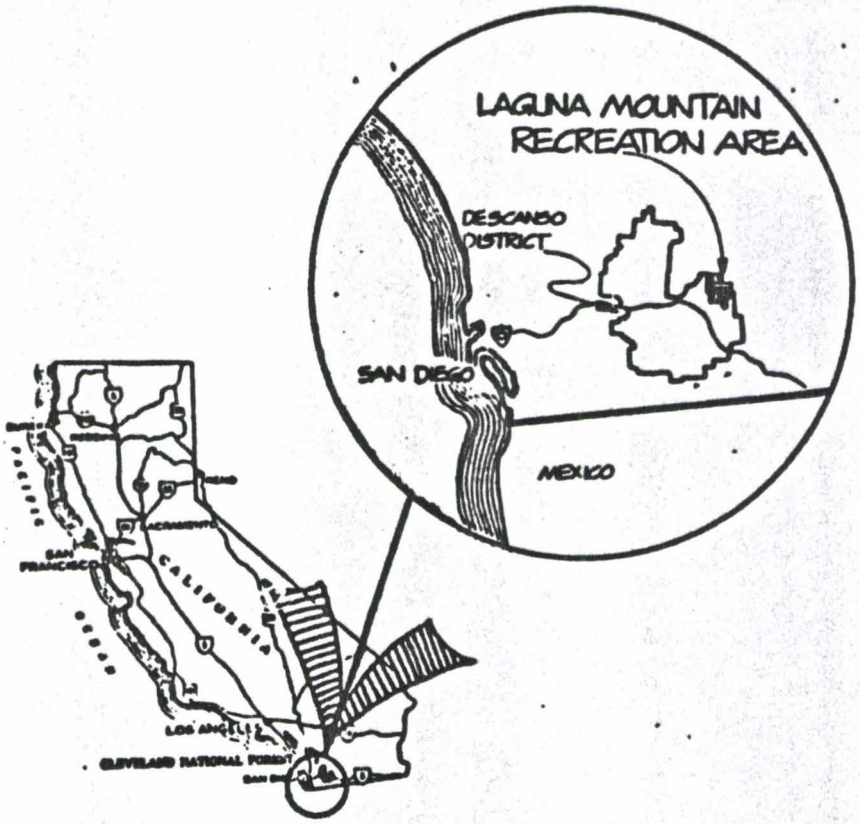
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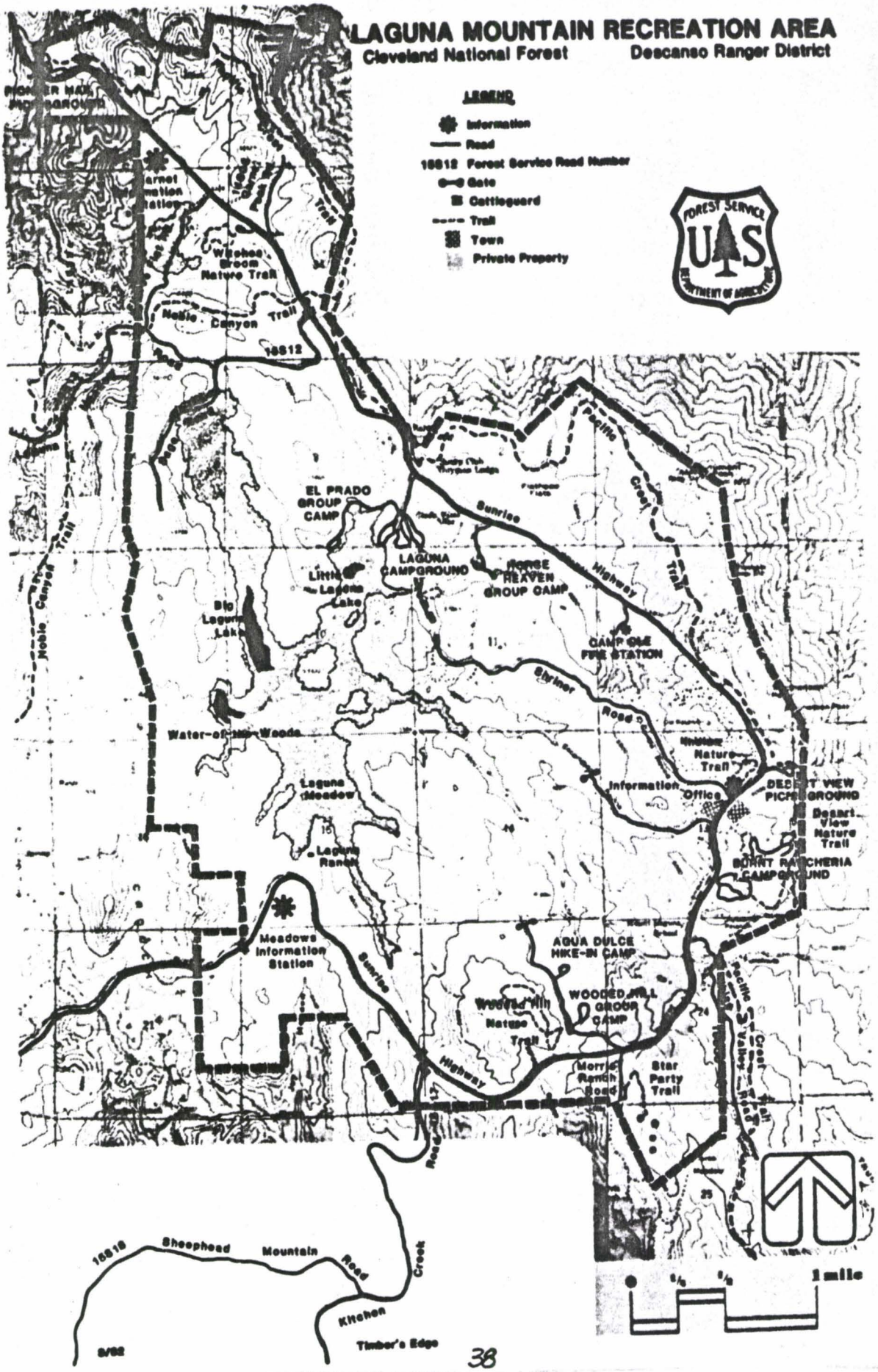
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EL PRADO GROUP CAMP
Sunrise Highway
Pacific Crest Trail
LAGUNA CAMPGROUND
HORSE HEAVEN GROUP CAMP
Little Laguna Lake
Big Laguna Lake
CAMP OAK FIRE STATION
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WOODED HILL GROUP CAMP
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1 mile